

the case of pre-1991 cash deferrals). Other amounts deferred may be allocated to a Communications Stock account and/or a Media Stock account, and shall be credited as phantom units of stock based on the closing price of the applicable stock on the New York Stock Exchange on the first to occur, on or following the payment date of the amount to be deferred, of the 15th or last day of the month or, if no trading occurs on such dates, the trading day immediately preceding such dates.

Company Match. Compensation Plan participants will receive matching contributions on deferred salary provided that the participant has contributed to the SP/E the maximum before-tax amount permitted under Section 402(g) of the Code less the amount, if any, by which contributions are reduced, recharacterized or refunded so that the SP/E may satisfy the average deferral percentage test of Section 401(k) of the Internal Revenue Code. Deferred short-term incentive plan payments will be eligible for a Company matching contribution without regard to whether such maximum before-tax amount has been met in the SP/E and without regard to whether the participant's salary has exceeded the dollar limit in effect during a calendar year under Section 401(a)(17) of the Code. Matching contributions will be credited to a Company match account as phantom shares of Communications Stock or Media Stock, as elected by the participant in connection with the annual deferral election described above. Company matching contributions will be credited to a participant's Company match account at the same time that salary deferrals or short-term incentive plan deferrals are credited to separate phantom stock accounts. If a participant's employment with the Company terminates before the completion of three years of service beginning with the participant's employment commencement date for any reason other than retirement, death or disability, the participant shall forfeit all matching contributions and earnings thereon under the Compensation Plan.

Phantom Dividends. Phantom dividends, calculated by multiplying the number of phantom shares in an account by any declared dividend payable per share with respect to the class of stock represented by such phantom shares, shall be credited to accounts as additional phantom shares.

Transfers Among Accounts. At such time as the Recapitalization Proposal is implemented, each phantom share of common stock theretofore credited to a participant's account shall be redesignated as one phantom share of Communications Stock and one phantom share of Media Stock. Twice each calendar year a participant may make an election to exchange any number of phantom shares of one class of Common Stock for phantom shares of the other class of Common Stock. A participant may at any time elect to exchange all or any portion of a deferred cash account for phantom shares of Communications Stock and/or Media Stock. A participant may not exchange any phantom shares for interests in a deferred cash account unless the participant is receiving a service pension under the U S WEST Pension Plan.

Distribution. Deferred amounts shall be paid, or begin to be paid, to a participant in March of the year following the first to occur of (i) termination of employment, (ii) commencement of a service pension or disability pension under the U S WEST Pension Plan, or (iii) death. Amounts held in a deferred cash account shall be distributed in cash and amounts held as phantom shares of Communications Stock or Media Stock shall be distributed as shares of Communications Stock or Media Stock, as the case may be. A participant may elect to receive all deferred amounts as a lump sum or in any number of annual installments not exceeding ten. In the event of a "Change of Control," as that term is defined in the Compensation Plan, the Compensation Plan shall immediately terminate and the present value of the benefits under the Compensation Plan, together with an additional payment, to the extent necessary, to provide each participant with the same benefits that would have been received had there been no Change of Control, shall be distributed to participants as soon as practicable.

The foregoing summary of the proposed amendments to the Compensation Plan is qualified in its entirety by reference to the full proposed text of the Compensation Plan, as amended, as set forth in Annex X hereto. Proposal 3 is conditioned upon approval by shareholders of the Recapitalization Proposal. If the Recapitalization Proposal is not approved by shareholders and implemented by the Board, Proposal 3 will not be implemented. The Merger Agreement provides that U S WEST Delaware will succeed to all of the stock option and other benefit plans of U S WEST. The approval of the

Recapitalization Proposal (which constitutes approval of the Merger Agreement) and Proposal 3 by shareholders of U S WEST at the Special Meeting will constitute approval of the Compensation Plan by the stockholders of U S WEST Delaware.

The affirmative vote of not less than a majority of all the shares of the Existing Common Stock represented in person or by proxy at the Special Meeting is required for approval of Proposal 3. Your Board unanimously recommends a vote FOR Proposal 3.

SOLICITATION STATEMENT

The cost of this solicitation of proxies will be borne by the Company. In addition to soliciting proxies by mail, directors, officers and employees of the Company, without receiving additional compensation therefor, may solicit proxies by telephone, telegram, in person or by other means. Arrangements also will be made with brokerage firms and other custodians, nominees and fiduciaries to forward proxy solicitation material to the beneficial owners of the Common Stock held of record by such persons and the Company will reimburse such brokerage firms, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in connection therewith. The Company has retained Beacon Hill Associates, Inc. and Lehman Brothers Inc. and Morgan Stanley & Co. Incorporated to perform various advisory and solicitation services. The Company has agreed to pay Beacon Hill Associates, Inc. a fee of \$25,000 plus reimbursement of out-of-pocket expenses. For information concerning compensation to be paid to Lehman Brothers Inc. and Morgan Stanley & Co. Incorporated, see "Proposal 1 — The Recapitalization Proposal — Financial Advisors."

SHAREHOLDER PROPOSALS FOR 1996 ANNUAL MEETING

Any shareholder proposal intended to be presented at the 1996 Annual Meeting of Shareholders and to be included in the Company's proxy statement and form of proxy for that meeting must be received by the Company, directed to the attention of the Secretary, no later than November 17, 1995. Any such proposals must comply in all respects with the rules and regulations of the Commission.

EXPERTS

The consolidated financial statements of U S WEST and the combined financial statements of the Communications Group and the Media Group as of December 31, 1993 and 1994 and for each of the three years in the period ended December 31, 1994 included in this Proxy Statement have been audited by Coopers & Lybrand L.L.P., independent certified public accountants, as stated in their reports referred to herein given upon the authority of that firm as experts in accounting and auditing.

The Consolidated Financial Statements and Consolidated Financial Statement Schedule included in U S WEST's Annual Report on Form 10-K for the year ended December 31, 1994 are incorporated herein by reference in reliance on the reports of Coopers & Lybrand L.L.P., independent certified public accountants, given upon the authority of that firm as experts in accounting and auditing.

Representatives of Coopers & Lybrand L.L.P. will attend the Special Meeting and will have an opportunity to make a statement and to respond to appropriate questions from shareholders.

The consolidated financial statements of Time Warner Entertainment Company, L.P. as of December 31, 1994 and 1993 and for each of the three years in the period ended December 31, 1994, which appear in the Current Report on Form 8-K of U S WEST, dated May 23, 1995, as amended by Forms 8-K/A filed on July 12, 1995 and August 24, 1995, are incorporated herein by reference in reliance on the report of Ernst & Young LLP, independent auditors, given upon the authority of that firm as experts in accounting and auditing.

The financial statements of Mercury Personal Communications (trading as Mercury One-2-One) as of March 31, 1995, 1994 and 1993 and for each of the three years in the period ended March 31, 1994, which appear in the Current Report on Form 8-K of U S WEST, dated May 23, 1995, as amended by

Forms 8-K/A filed on July 12, 1995 and August 24, 1995, are incorporated herein by reference in reliance on the report of Arthur Andersen, independent chartered accountants, given upon the authority of that firm as experts in accounting and auditing.


The combined financial statements of Georgia Cable Holdings Limited Partnership and Subsidiary Partnerships as of December 31, 1993 and 1992 and for each of the years in the two-year period ended December 31, 1993, which appear in the Current Report on Form 8-K of U S WEST, dated May 23, 1995, as amended by Forms 8-K/A filed on July 12, 1995 and August 24, 1995, have been incorporated by reference herein in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Wometco Cable Corp. and subsidiaries as of December 31, 1993 and 1992 and for each of the years in the two-year period ended December 31, 1993, which appear in the Current Report on Form 8-K of U S WEST, dated May 23, 1995, as amended by Forms 8-K/A filed on July 12, 1995 and August 24, 1995, have been incorporated by reference herein in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The report on the 1993 consolidated financial statements of Wometco Cable Corp. and subsidiaries refers to a change in the method of accounting for income taxes in 1993 to adopt the provisions of Financial Accounting Standards Board FASB No. 109 — Accounting for Income Taxes.

LEGAL OPINIONS

The validity of the Communications Stock and the Media Stock and the matters set forth under "Proposal 1 — The Recapitalization Proposal — Certain Federal Income Tax Considerations" will be passed upon for the Company by Weil, Gotshal & Manges (a partnership including professional corporations), New York, New York.

By order of the Board,

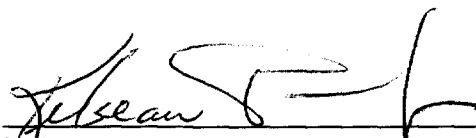
A handwritten signature in cursive script that reads "Charles P. Russ, III". The signature is written in dark ink and includes a stylized flourish at the end.

Charles P. Russ, III
*Executive Vice President—Law and
Human Resources,
General Counsel and Secretary*

Dated August 25, 1995

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 16th day of September, 1996, I have caused a copy of the foregoing **U S WEST, INC.'S PETITION FOR CLARIFICATION, OR, IN THE ALTERNATIVE, RECONSIDERATION** to be served via hand-delivery upon the persons listed on the attached service list.


Kelseau Powe, Jr.

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